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# Monthly Equity Strategy

June 2026

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# Geopolitical risks and central bank guidance shaped market dynamics in May...

Geopolitical developments stemming from the Middle East remained the key agenda item for global markets in May. The ongoing tension between the U.S. and Iran, together with news flow regarding the negotiation process, kept concerns over a potential disruption to global energy supply through the Strait of Hormuz on the market agenda, while oil prices displayed elevated volatility. In the first half of the month, concerns over energy supply and fears that conflict risks could re-escalate pushed oil prices above USD 110/bbl. In the latter part of the month, however, statements indicating that diplomatic contacts between the parties had gained momentum led to a pullback in prices. Nevertheless, lingering uncertainties regarding a lasting normalization in the region kept risks to the global inflation outlook alive through the energy price channel.

On the global monetary policy front, the deterioration in the inflation outlook through the energy price channel due to geopolitical developments led major central banks to maintain their cautious stance. In the U.S., inflation data remaining relatively elevated caused expectations for Fed rate cuts to be pushed back, while statements from Fed officials highlighted that an early easing in the monetary policy stance would not be pursued before a sustained decline in inflation is observed. In addition, expectations regarding Warsh’s monetary policy approach after taking over from Fed Chair Powell following the end of his term were also among the key topics closely monitored by global markets.

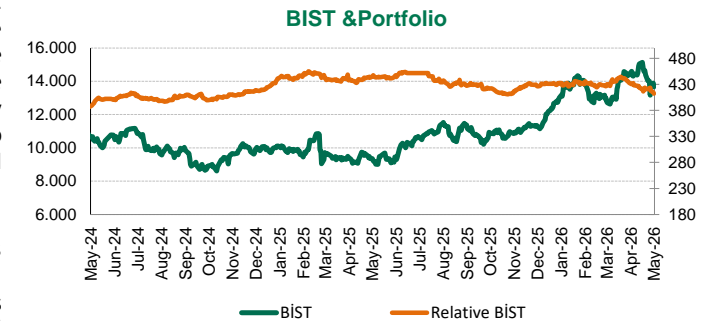
In Europe, the impact of higher energy prices on the inflation outlook and downside risks to the growth outlook came to the fore. Data released in the Euro Area pointed to the continuation of a fragile outlook in economic activity, while industrial production and foreign trade data supported weak demand conditions. While ECB officials emphasized that risks to the inflation outlook persisted, markets saw a marked increase in the probability of a rate hike at the June meeting. In Asia, policy steps and stimulus expectations aimed at supporting growth in China remained on the agenda, while in Japan, expectations that the BoJ could raise its policy rate to 1.00% in June came to the fore. The weak yen, energy prices and the inflation outlook remained among the key issues closely monitored from a monetary policy perspective in Japan. Against this backdrop, downside risks to the growth outlook and upside risks to the inflation outlook became prominent across developed economies, while volatility in energy prices, weakening demand conditions and uncertainties regarding the monetary policy paths of central banks continued to weigh on the economic outlook.

Domestically, the updates made by the CBRT in its Inflation Report, the inflation outlook and domestic political developments were at the center of market attention in May. In April, CPI came in above market expectations, increasing by 4.18% MoM and 32.37% YoY. In its second Inflation Report of the year, published on May 14, the CBRT announced its 2026 year-end inflation forecast at 26%, while revising its interim target upward from 16% to 24%. The report underlined that the rise in energy prices, global geopolitical developments and the outlook for financial conditions had increased risks to the disinflation process, while emphasizing that the tight monetary policy stance would be maintained until a lasting improvement is achieved in inflation expectations and pricing behavior.

Meanwhile, the “absolute nullity” decision issued by the Ankara Regional Court of Justice on May 21 regarding the case concerning the CHP’s 38th Ordinary Congress and 21st Extraordinary Congress was among the key domestic developments closely followed by local markets in the latter part of May. Following the decision, uncertainties regarding the legal and political consequences of the congress process came to the fore, while related news flow led to increased volatility in TL-denominated assets. In addition to domestic political developments, the course of global risk appetite, the reserve outlook and foreign investor behavior remained influential on market pricing

Facts & Figures	Close*	MoM	YtD
BIST - 100, TRY	13.663	-5,40%	21,3%
BIST - 100, USD	299	-6,8%	13,9%
MSCI Turkey	326.067	-8,4%	14,4%
MSCI EMEA	268	1,0%	3,4%
MSCI EM	1.752	9,5%	24,8%
Benchmark Bond	43,74%	252bps	652bps
USD/TL	45,6312	1,47%	6,50%
EUR/TL	53,1224	1,05%	5,64%
P/E			
Banking	5,1		
Industrial	82,1		
Iron&Steel	121,0		
REIT	12,2		
Telecom	9,7		
2026E P/E	14,5		

\*Close as of May 26, 2026



# The CBRT is expected to maintain its tight stance at the June meeting...

# Rating: BUY

In June, clearly the focus of global markets will be on geopolitical developments in the Middle East, the course of energy prices and the monetary policy actions of major central banks. Inflation, employment and growth data to be released in the U.S., together with the Fed meeting on June 16-17, will be decisive for global risk appetite, while the Fed’s communication tone and policy approach under its new leadership will be closely monitored by the markets. In Europe, the ECB meeting on June 11, as well as data regarding the inflation and growth outlook, will come to the fore, while indicators related to economic activity and potential stimulus steps in China will be followed.

Domestically, the inflation data to be released on June 5 and the CBRT MPC meeting to be held on June 11 will be among the main agenda items for markets. While the underlying trend of inflation, the impact of energy prices, the domestic demand outlook and reserve dynamics will continue to be decisive for monetary policy expectations, news flow regarding domestic political developments and the course of global risk appetite will continue to affect the performance of TRY-based assets.

After the CBRT paused its rate-cut cycle in March and kept interest rates unchanged in April in line with expectations, expectations for rate cuts were pushed back to the June meeting and beyond. Considering the above-expectation April inflation print, domestic political developments in May and ongoing geopolitical risks, the CBRT is expected to maintain its tight stance at the June meeting as well.

While global equity markets started May on a positive note, the BIST-100 Index also renewed its TRY-based record by reaching 15,204.92 points on May 11. However, amid geopolitical risks and intensifying domestic political news flow, accelerated selling pressure dragged the BIST-100 Index down to 12,966.26 points on May 22. The index closed May at 13,662.75 points, down 5.40% for the month. Sectoral divergence was evident throughout the month, with the Industrial Index declining by 0.67%, while the Banking Index negatively diverged with an 8.56% loss.

Although disruptions to the disinflation process stemming from geopolitical risks and higher energy prices came to the fore, we expect the BIST-100 Index to display a volatile outlook in June, depending also on the course of foreign investor interest, amid the preservation of a tight monetary policy stance and expectations that the rate-cut cycle may resume in the coming period. That said, should the possibility of a ceasefire in the Middle East evolving into lasting peace strengthen, should a basis for an agreement on the normalization of passages through the Strait of Hormuz emerge, and should oil prices retreat, we maintain our gradual accumulation view from a medium- to long-term perspective.

In light of these expectations, we maintain our 12-month target of 16,500 points for the BIST-100 Index and our BUY recommendation, as our target value represents a 21% return potential compared to the current index. The MSCI Turkey Index is trading at a 58% and 52% discount compared to the EM MSCI index, with P/E and P/BV ratios of 6.82x and 0.91x respectively for 2026T

We are not making any changes to our model portfolio this month.

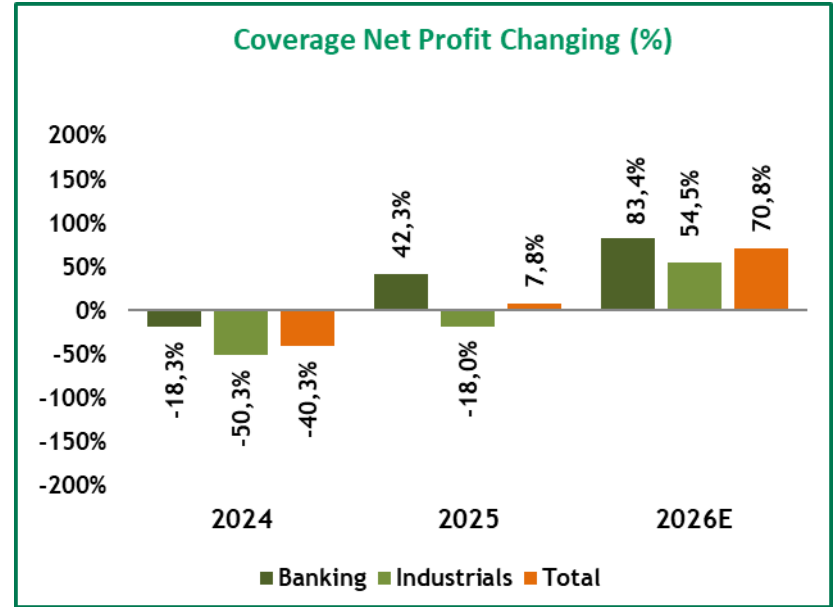
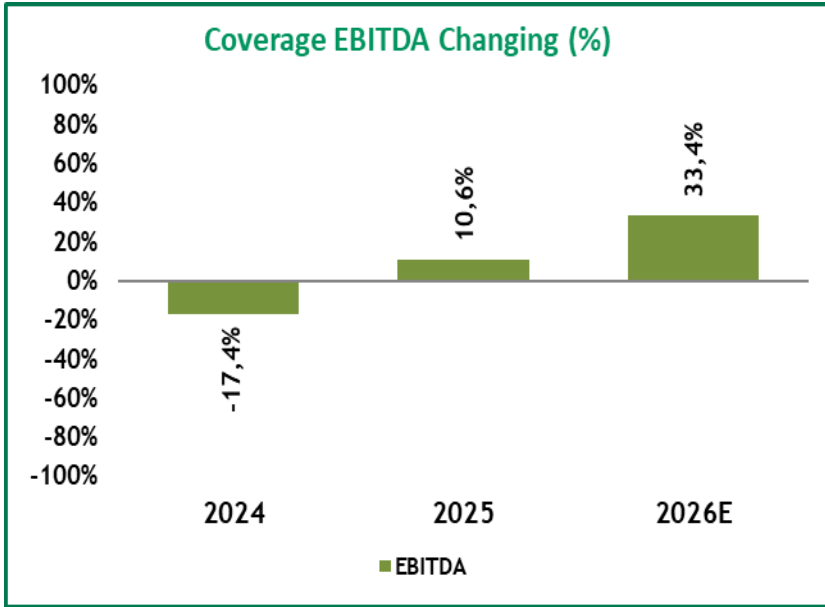
### Main Market Risks

- Further intensification of the ongoing hot war in the Middle East,
- Geopolitical risks are causing energy prices to rise, increasing uncertainty over the global inflation outlook and the monetary policy path,
- The escalation of global trade tension due to aggressive U.S. foreign policy measures and tariff threats toward China and Europe,
- A potential disruption in the CBRT’s rate-cutting cycle if the anticipated decline in inflation fails to materialize.

Model Portfolio					
Top Picks	Close	Target	Pot.	MoM	Relative
AKBNK.TI	64,00	108,10	68,9%	-12,6%	-7,6%
ASELS.TI	380,25	495,00	30,2%	-9,5%	-4,4%
CIMSA.TI	50,65	70,55	39,3%	-12,1%	-7,0%
FROTO.TI	84,15	149,30	77,4%	-14,1%	-9,2%
MGROS.TI	659,00	910,00	38,1%	3,4%	9,3%
SAHOL.TI	92,00	173,19	88,2%	-3,8%	1,7%
TCELL.TI	101,00	150,00	48,5%	-9,9%	-4,8%
TUPRS.TI	236,20	355,76	50,6%	-12,8%	-7,9%
YKBNK.TI	33,16	58,30	75,8%	-10,5%	-5,4%
Monthly Return				-9,1%	-3,9%

\*Close as of May 26, 2026

<b>Add</b> -	<b>Remove</b> -	<b>Maintain</b> AKBNK ASELS CIMSA FROTO MGROS SAHOL TCELL TUPRS YKBNK
<b>Favourite Sectors</b> Food&Beverage Defense Food Retail Energy Telecommunication Construction-Cement Aviation Banks Insurance REIT Main Metal Industry Iron-Steel		



In 2026E, industrials should deliver 54.5% and 33.4% YoY net income and EBITDA growth YoY, while we expect the banks' earnings to increase by 83,4% YoY.

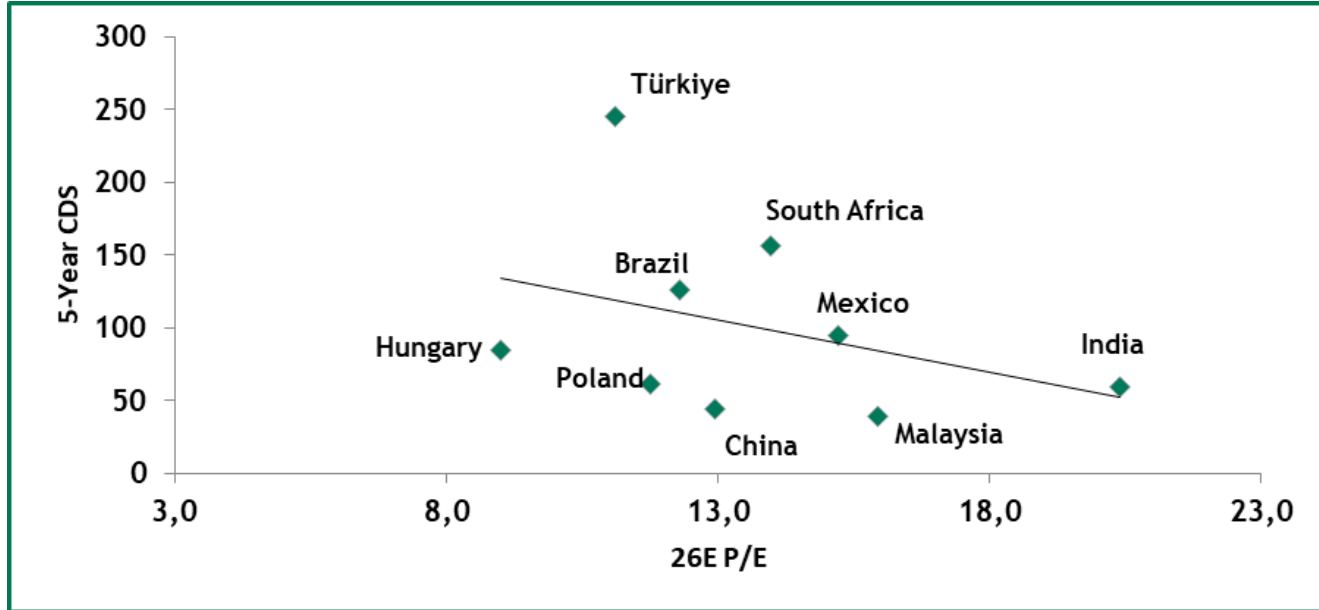
# Returns compared to peers

- The MSCI Türkiye Index has risen by 31% in absolute terms over the past 12 months. It has underperformed the MSCI EM by 15.5%, and outperformed the MSCI EMEA index by 8% during same period.

Absolute Change	1m	3m	12m	YtD
MSCI Turkey	-8,4%	-6,7%	31,0%	14,4%
MSCI EM	9,5%	8,8%	51,4%	24,8%
MSCI EMEA	1,0%	-6,4%	20,6%	3,4%
MSCI Eastern Europe	4,9%	7,1%	41,4%	16,5%
MSCI World	4,4%	6,8%	25,9%	9,8%
Relative to MSCI Turkey	1m	3m	12m	YtD
MSCI EM	19,6%	16,6%	15,5%	9,1%
MSCI EMEA	10,3%	0,3%	-8,0%	-9,6%
MSCI Eastern Europe	14,5%	14,7%	7,9%	1,9%
MSCI World	14,0%	14,4%	-3,9%	-4,0%

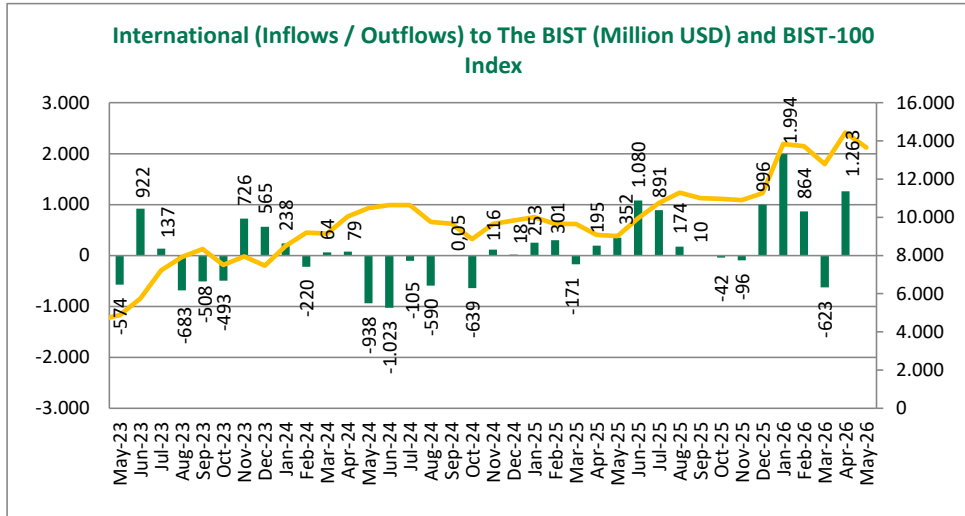
As of May 29, 2026

# 5-Year CDS

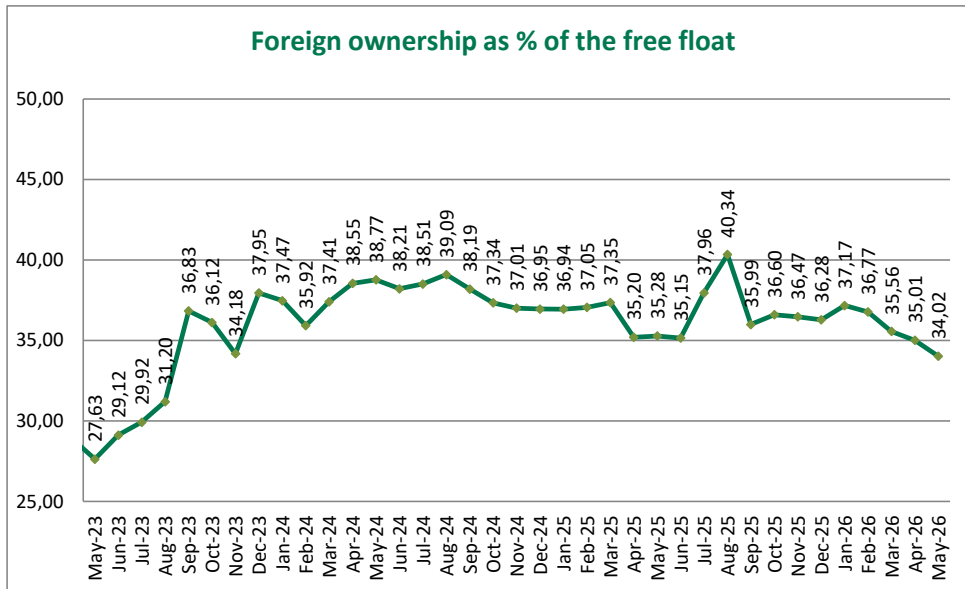


As of May 29, 2026

# Int. flow and foreign ownership

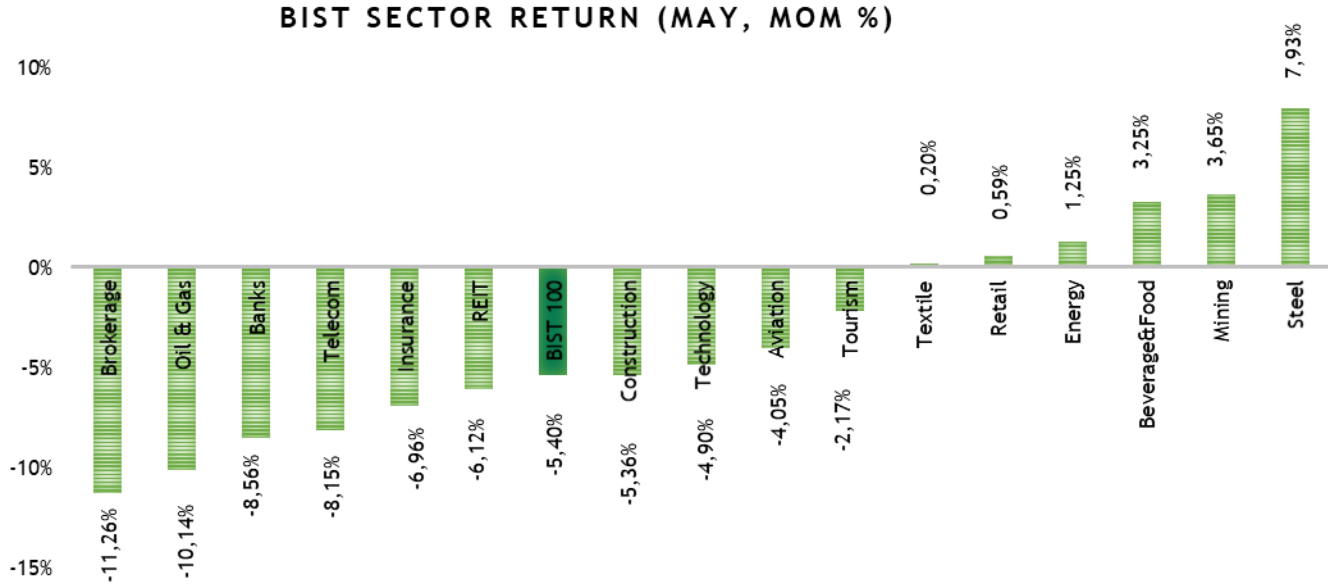


➤ Overall, in April 2026, foreign investors were net buyers of USD 1.263mn.



➤ Foreign ownership has decreased to 34.02% in May 2026.

# Sector performances

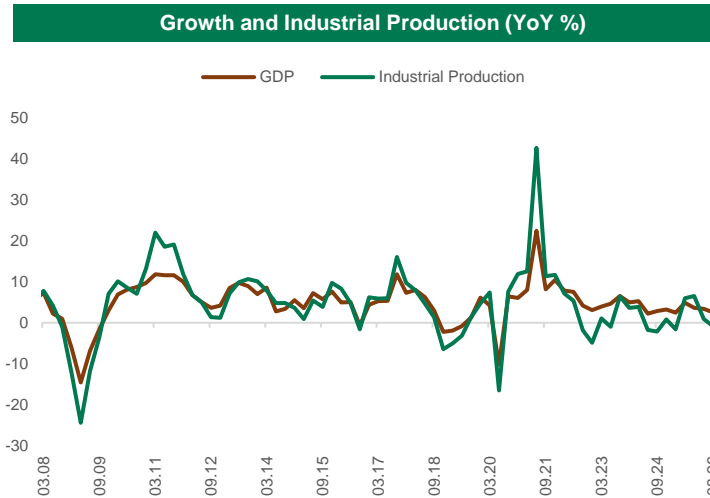


As of May 26, 2026

# Macroeconomic Outlook

## GDP/2026-Q1

According to growth figures released by TÜİK, the Turkish economy grew by 2.5% in the first quarter of the year compared with the same period of the previous year. (Market expectation was 2.7% and Seker Invest forecast was 2.6%). The seasonally and calendar-adjusted chained volume index of GDP rose by 0.1% compared with the previous quarter. The calendar-adjusted GDP chained volume index rose by 2.6% in the first quarter of 2026 compared to the same quarter of the previous year. The Gross Domestic Product estimate calculated using the production method rose by 35.7% at current prices in the first quarter of 2026 compared to the same quarter of the previous year, reaching 16 trillion 999 billion 977 million TL. The first-quarter GDP value, at current prices and in US dollar terms, stood at 389 billion 598 million. The share of labor compensation in Gross Value Added at current prices was 42.7% in the first quarter of the previous year, and this ratio remained at 42.7% in the first quarter of 2026. The share of net operating surplus/mixed income stood at 36.3% in the first quarter of the previous year, whilst it was 35.8% in the first quarter of 2026. When examining the activities that make up GDP; in the first quarter of 2026, compared to the previous year, the chained volume index showed that the total value added of information and communication activities was 9.5%, other service activities 5.2%, the agricultural sector 4.6%, trade, transport, accommodation and food services 3.7%, financial and insurance activities by 3.5%, the construction sector by 3.2%, real estate activities by 3.0%, taxes on products minus subsidies by 2.0%, professional, administrative and support service activities by 1.9%, and public administration, education, human health and social service activities by 1.8%. The industrial sector, however, decreased by 0.8%. Final consumption expenditure by resident households increased by 4.8% in the first quarter of 2026 compared with the same quarter of the previous year, as measured by the chained volume index. Final consumption expenditure by the government increased by 2.1%, whilst gross fixed capital formation increased by 3.0%. Exports of goods and services fell by 12.7% in the first quarter of 2026 compared with the same quarter of the previous year, as measured by the chained volume index, whilst imports fell by 2.0%. Whilst the growth momentum in services continues, agriculture is recovering, but the outlook for industrial production remains distinctly negative. Given the current tight stance, alongside geopolitical developments, we are revising our 2026 growth forecast down to 3.4%.

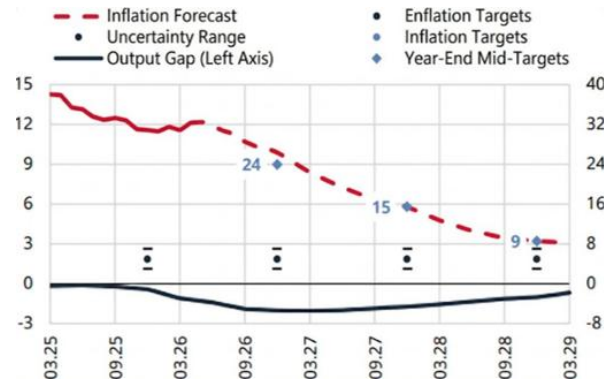


# Macroeconomic Outlook

## Inflation Report – 2026/II

In its second inflation report for 2026, the Central Bank provided details on interim targets, medium-term forecasts, the outlook for local and global economies, and developments in the real sector and financial markets. During the previous reporting period, the interim inflation target was maintained at 16%, although the forecast range was revised upwards. In the current reporting period, however, the forecast range for the end of 2026 has not been shared, and the interim target has been revised upwards by 8 percentage points to 24%. Additionally, the year-end inflation forecast has also been raised to 26%. We can attribute this divergence between the interim target and the forecast to the high level of uncertainty. Behind these significant upward revisions lie certain changes to the underlying assumptions. Chief among these are risks related to the global growth outlook and external demand. The export-weighted global growth index has been lowered from 2.3% to 1.7%. We see an assumption that the contribution of external demand to exports will remain more limited. The most significant update to the inflation forecast and the interim target came from the oil price projections. The average oil price assumption for 2026 has risen from USD 60.9 per barrel to USD 89.4 per barrel. This represents an update of approximately USD 30 per barrel in oil prices. It will have significant implications for both the current account balance and inflation. Import prices, calculated as the annual average percentage change in USD terms, have been raised from 2% to 6.3%. We observe that the pass-through effect from the exchange rate to domestic prices has risen significantly. Finally, the food inflation assumption, reflecting the combined impact of agricultural commodities, fertilizer prices and oil prices, has been updated from 19% to 26.3%. When the forecast updates and their sources are assessed together, we see that the CBRT is moving closer to market forecasts. In our recent macroeconomic notes, we had highlighted that upward revisions to forecasts and intermediate targets might be made in the inflation report. In this context, it was appropriate for the CBRT, as the policy-maker, to update its forecasts and intermediate targets in light of current risks and to adjust monetary policy accordingly. Furthermore, the CBRT's decision to communicate to the public, with supporting rationale, that market funding is being conducted at the upper band and that a tight stance must continue for some time has enhanced the effectiveness of its communication policy.

**Inflation and Output Gap Forecasts**

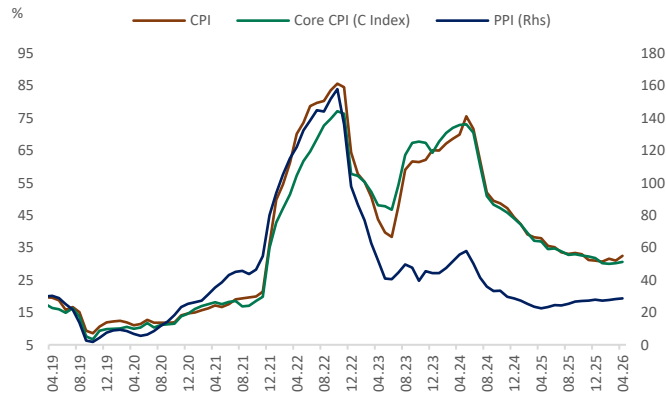


# Macroeconomic Outlook

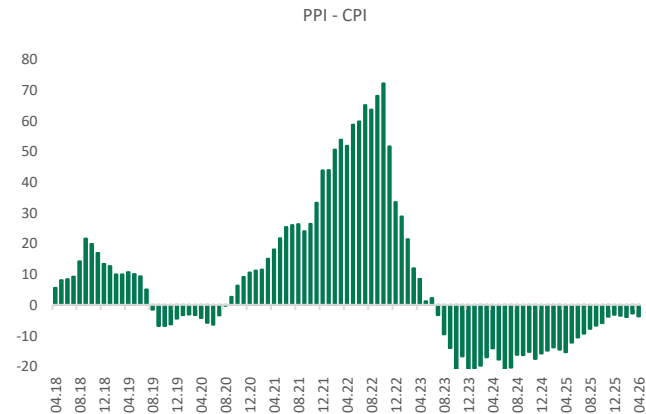
## Inflation - April

The CPI rose by 4.18% month-on-month in April, whilst annual inflation stood at 32.37% (previously 30.87%). The monthly inflation rate in April, which exceeded both market and our own expectations, reflects the lagged effects of geopolitical developments. In our previous report, we had noted that we would see a rebound in the April-May inflation figures following the below-expectation figures in March. However, the actual figures have exceeded even our own expectations and are complicating the disinflationary path. Looking at the dispersion index for April, 147 sub-indices recorded an increase whilst 19 sub-indices showed a decline. The dispersion index is an indicator we monitor closely, just as much as the inflation trend, and increases are evident across almost all sub-groups. In such a scenario, it is a matter of supply-side shocks—such as those in energy—affecting all items, rather than a temporary effect. For the lower-income group, the rise in items constituting the majority of the consumption basket is deviating significantly upwards from headline inflation. This index, calculated using the average of food, housing and transport inflation—which accounts for 52.46% of the CPI—rose by 37.33% year-on-year in February. Rising commodity prices, led by energy, are creating fragility in net importing economies such as Turkey. The duration of this situation—which increases risks to both reserves and the balance of payments—stands out as the most prominent external variable directly influencing how tight monetary policy will remain. The oil price forecast (USD60/barrel) used when setting the CBRT’s intermediate targets has now been exceeded by approximately 100%. Even if the speculative impact on prices were to disappear due to geopolitical risks, we believe there will still be a significant upward deviation from the CBRT’s forecasts. We anticipate that oil prices will stabilize at levels of USD75-80/barrel by year-end. Under this assumption, we estimate that inflation will rise to the 25-29% range and close at 27% by year-end. These developments necessitate a more cautious stance in monetary policy. In this context, the decision to hold interest rates steady in April was a prudent one, given the leading indicators. May’s inflation figures will reveal the extent and duration of this shock. We forecast that the policy rate will close the year at 32%.

CPI, PPI and Core CPI (YoY %)



PPI - CPI Spread

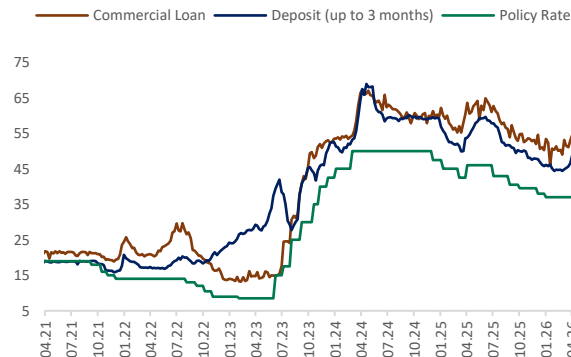


# Macroeconomic Outlook

## CBRT Rate Decision - April

At its April meeting, the Central Bank of the Republic of Türkiye’s Monetary Policy Committee (MPC) kept the policy rate steady at 37%, in line with market expectations. Under current conditions, the fact that market funding is being conducted at the upper band is already being interpreted as a sufficiently tight monetary policy and an implicit interest rate hike. In this context, raising the policy rate to this level and resuming funding via repo operations would not have had a meaningful impact on market interest rates. Therefore, maintaining flexibility and keeping interest rates steady is a sound decision. However, the section added to the final part of the inflation paragraph indicates that the CBRT remains committed to tightening when necessary. We believe that, rather than tightening further by raising interest rates, the preference was to steer expectations through a hawkish tone that limits upside risks and manages expectations. The text briefly summarizes recent developments. It is noted that the underlying trend in inflation rose slightly in April as a result of geopolitical developments. Furthermore, the high trajectory of energy prices will affect inflation through two channels. The inflation outlook, pushed upwards via the cost channel, is expected to ease somewhat due to the weakening of economic activity and the slowdown in growth. We believe the CBRT’s wait-and-see policy is appropriate for assessing the direction and magnitude of this net effect. Both the war entering a ceasefire phase and moving towards a diplomatic negotiation framework, as well as domestic developments, have strengthened the CBRT’s hand regarding its interest rate decision. During the war, there had been a depletion of reserves amounting to approximately 50 billion US dollars. Following this situation, which had strengthened the likelihood of an interest rate hike, the declaration of a ceasefire led to a recovery of approximately 30 billion US dollars in reserves. Furthermore, oil futures are pricing in the expectation that the war will end in the near future. For this reason, an interest rate hike by the CBRT at this meeting might have appeared premature. We could say that both the relative recovery of macroeconomic indicators and the shift in expectations towards a positive outlook have bought decision-makers some time. The most hawkish statement we observed in the decision text is the phrase: “The Council has emphasized its cautious stance against upward risks to inflation.” Unlike previous statements, which highlighted improvements in the core inflation trend and a gradual decline, this statement explicitly emphasizes upward risks. We understand from this that the condition of a significant and persistent deterioration in the inflation outlook is being closely monitored. The condition of ‘significant’ appears to have been met, albeit to a limited extent, but we need time to see how persistent it is.

Policy, Loan and Deposit Rates (%)

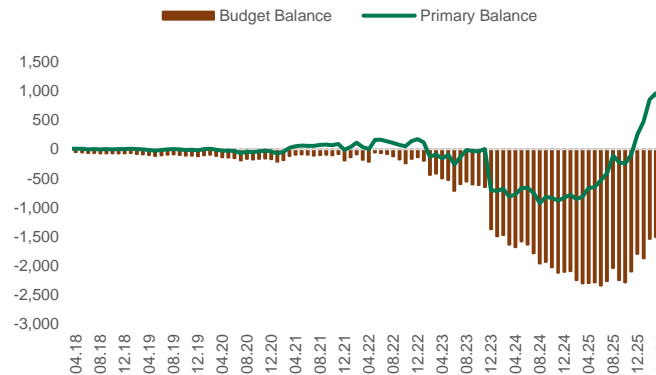


# Macroeconomic Outlook

## Budget Balance - April

According to the central government budget data for April published by the Ministry of Treasury and Finance, budget revenue stood at 1,186.2 billion TL, whilst budget expenditure amounted to 1,524.9 billion TL. During the same period, non-interest budget expenditure stood at 1,267.2 billion TL. With these figures, the budget deficit stood at 338.7 billion TL, whilst the non-interest balance recorded a deficit of 81 billion TL. Measures taken to offset household inflation caused by rising energy costs resulting from geopolitical tension are also triggering the budget deficit. In other words, energy costs have effectively been transferred from the private to the public sector; interest expenditure, which averaged 170 billion TL monthly in 2025, rose to an average of 290 billion TL per month in the first quarter of 2026. When the budget performance is adjusted for interest expenditure, the picture is not pessimistic. Looking at the 12-month cumulative figure, however, we can say there is a clear surplus in the non-interest balance. When we examine the details of expenditure items, personnel costs have stabilized at around 400 billion lira. As these items reflect the impact of inflation, the level of volatility is very low. Interest expenditure stands at 257 billion lira, which is close to flat, but at a fairly high level. Of this, 192 billion lira relates to domestic debt repayments. On the positive side, external borrowing and its associated interest costs are low. Consequently, the risk of fragility remains limited. Meanwhile, current transfers are close to flat at 521 billion TL. This item has stabilized at around 500 billion TL. This month, transfers of 14.6 billion TL to Electricity Generation Inc., 10 billion TL to BOTAŞ and 25.5 billion TL to public banks were made. Whilst no significant change is apparent in capital transfers and lending items, capital expenditure has risen to 125 billion TL. Rent and property production costs appear to have created significant pressure this month. When adjusting the monetary policy stance, policymakers had operated on the assumption that pressures from administered/guided prices would remain limited. In the current situation, however, the price hike on electricity and natural gas—intended to alleviate the pressure on the budget from rising energy costs—is fuelling inflationary rigidity. The secondary impact of this on public finances is negative. Although the initial effect is creating a limited improvement in budget revenues, the medium-to-long-term impact is that borrowing costs remain high due to inflation. This, in turn, increases the interest burden on the budget. Taking into account the Treasury’s borrowing schedule for the second quarter, we expect the negative performance of the budget deficit to continue for the remainder of the year.

Budget and Primary Balance (12m rolling, Billion TRY)

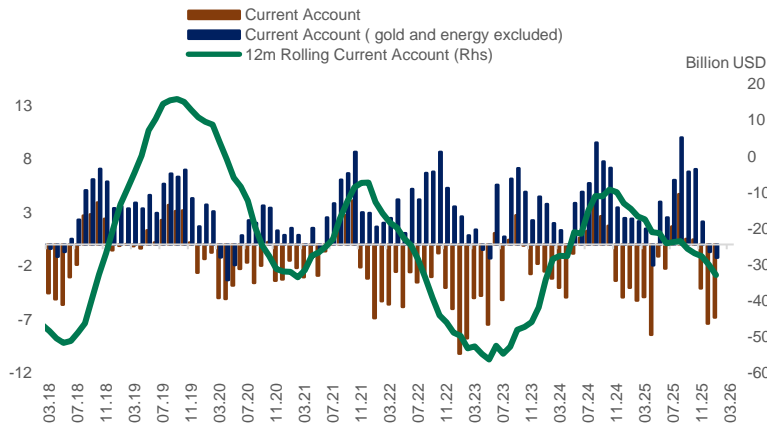


# Macroeconomic Outlook

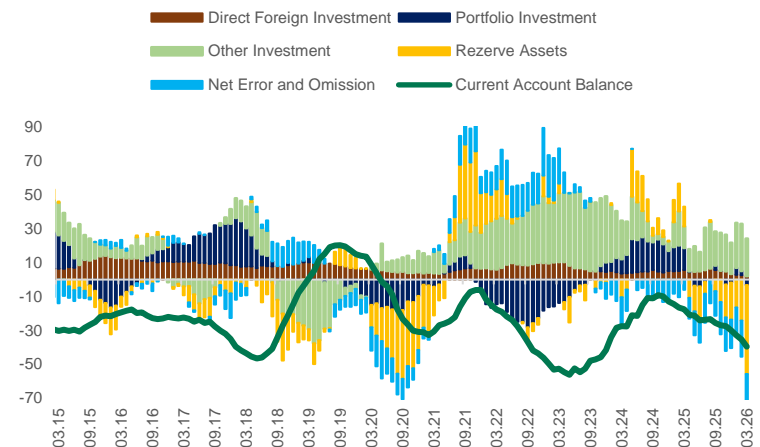
## Balance of Payments - March

According to balance of payments statistics, the current account balance for March recorded a deficit of USD 9,672 million. As a result, the twelve-month current account deficit stood at USD 39,724 million. The uptrend in energy prices, triggered by geopolitical developments, had a significant impact on the current account deficit in March. The net effect of this development—which could be described as the price impact of energy imports—on the current account balance depends on the level at which commodity prices stabilize. When examining the components of the balance of payments, the trade deficit increased by approximately USD 2 billion compared to the previous month, reaching a deficit of USD 9.5 billion. Seasonal effects in the services balance continue. In March, inflows from the services balance remained at USD 2.6 billion. We had anticipated pressure on the trade deficit due to the robust pace of economic activity. With the added pressure from energy prices, the current account deficit approached USD 40 billion. This is the point highlighted by credit rating agencies that have recently published assessments regarding macroeconomic vulnerabilities. There is the concern that the depletion of reserves may continue to a certain extent, and that the vulnerability created by the current account deficit could trigger upward movements in the core inflation trend in particular. In the 12-month cumulative current account deficit, the trade deficit stood at USD 78.7 billion and inflows from the services balance amounted to USD 63 billion. Excluding gold and energy, the current account recorded a deficit of USD 3,886 million this month. Even when adjusted for energy and commodity effects, there is a deterioration in the current account deficit. Looking at how the current account deficit was financed, a net decrease of USD43,420 million was observed in official reserves this month. Over the twelve-month period, there was an outflow of USD 3.3 billion in portfolio investments and an inflow of USD21.9 billion USD via the credit-deposit channel. As of March, the twelve-month cumulative foreign direct investment recorded a net inflow of 2.1 billion USD (previously 2.6 billion). Of the total 73 billion USD inflow in the financial account, 40 billion USD was due to the current account deficit, whilst USD 33 billion was attributed to the net error and omission item. The continued deterioration in the balance of payments, despite tight monetary policy, is an indication of robust domestic demand. Until this cycle is broken, we will see a cautious Central Bank of the Republic of Türkiye (TCMB) regarding interest rate cuts.

**Current Account (CA), Energy and Gold Excluded (CA), 12M Rolling CA (Billion USD)**



**Finance of Current Account Deficit (Billion USD)**

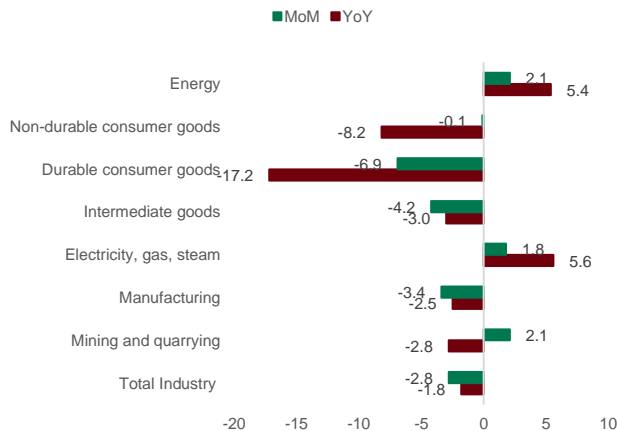


# Macroeconomic Outlook

## Industrial Production- March

According to industrial production index data, seasonally and calendar-adjusted production fell by 0.8% in March compared with the previous month. Year-on-year production contracted by 1.1%. Following the recovery in February, we had anticipated a modest pullback in the March figures. We can say that the data has come in line with our expectations. However, this slowdown in production figures at these levels is both increasing downward pressure on industrial companies and limiting the contribution of production to GDP figures. In 2025, growth figures had maintained their strength driven by sectors such as construction and services. Looking at the picture through the lens of first-quarter leading industrial indicators, the situation is not much different. In fact, year-on-year industrial production contracted in the first quarter compared to the previous year. The tight monetary stance and macroprudential measures continue to adjust total demand in line with disinflation by pulling production levels below potential. The tight monetary stance, which is having a marked impact on production and supply-side indicators in the real economy, is unable to pull economic activity down to the same extent. In this context, we can say that the output gap is proving stronger than the central bank’s forecasts. The result of this is a slowdown in the disinflationary path and the need for greater patience in the fight against inflation. When recent developments are assessed alongside the effects of monetary policy, supply-side negative shocks are bringing with them effects that push inflation upwards whilst revising growth forecasts downwards. The initial impact in April triggered a significant and unexpected upward movement in inflation. The extent of the net impact on inflation, however, depends on two conditions. The first is how long the upward trend in commodity prices will last and where it will stabilise. The second effect is the contraction of growth and demand due to price increases, which may pull inflation down slightly. Another effect of recent developments has been the triggering of inflationary pressures in key export markets and the pricing in of tighter monetary conditions. Although production and GDP diverged in the first-quarter growth data, we expect the gap to narrow by the end of the year.

Industrial Production Rate of Change (%)



Industrial Production and GDP Growth (YoY)



# Akbank (OP, 12M TP: TRY108.10) Cost and Margin Dynamics Remain a Headwind

Upside:69%

Akbank has reported TRY 19.179 billion in net income in its 1Q26 standalone financial results (QoQ: +4.6%, YoY: +40%). The reported figure was broadly in line with our estimate of TRY 19.095 billion and the market consensus.

The bank's growth in net interest income and the strong increase in trading income supported profitability, while higher operating expenses and the contraction in fee and commission income were the main factors weighing on performance.

Net interest income increased by 12% QoQ, while swap costs rose by 17% over the same period. Accordingly, swap-adjusted net interest income grew by 9.4% QoQ to TRY 24.7 billion. Swap-adjusted NIM improved by 10 bps to 3.23% in the quarter; however, the 10% decline in CPI-linked securities income and higher swap costs limited the improvement in margins.

Net fee and commission income, despite its strong underlying trend, declined by 7.2% QoQ to TRY 30.158 billion, while increasing by 33% YoY. The Bank's operating expenses increased by 19.4% QoQ to TRY 34.5 billion, mainly driven by seasonally higher personnel costs in the first quarter. As a result, the fee-to-cost ratio declined to 87.3% from 112%.

Asset quality remained broadly stable, with the NPL ratio increasing by a limited 14 bps to 3.8%, while expected credit loss provisions increased by 19% QoQ to TRY 9.5 billion. Accordingly, the net cost of risk (including FX impact) was in at 207bps.

Other income was supported by a strong increase in trading income (more than doubling) to TRY 10.967 billion, which more than offset a modest decline in equity-accounted income.

Akbank has maintained its FY26 guidance. As previously communicated, the bank expects 30% TRY loan growth, 10% FX loan growth, a 4% swap-adjusted NIM, 30% growth in fee and commission income, and 30% growth in operating expenses.

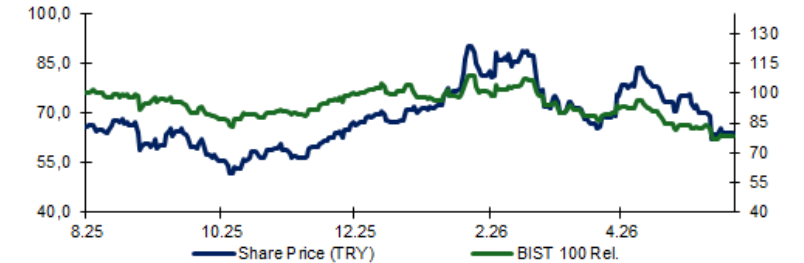
**We keep our target price unchanged at TRY 108.10, implying 69% upside from current levels, and reiterate our "OUTPERFORM" recommendation.** We model 75.5% earnings growth for 2026. The stock is trading at 3.9x 2026E P/E and 1.03x P/B, with an average ROE of around 30%.

Mcap (TRYmn)	332.800	Beta (12M)	1,38
Mcap (USDmn)	7.293	Avr. Daily Vol. (TRYr)	7.642
Close	64,00	Foreign Ownership i	50,5%
Last 12M High	90,60	Free Float (%)	52,0%
Last 12M Low	49,22	Weight	4,12%

Quick Facts (TRY Mn)	2024A	2025A	2026E	2027E
Net interest income	41.766	64.241	145.536	219.132
% Change, YoY	-29,9%	53,8%	126,5%	50,6%
Net fee income	69.162	114.402	152.921	193.153
% Change, YoY	124,3%	65,4%	33,7%	26,3%
Net income	42.366	57.247	100.449	161.296
% Change, YoY	-36,3%	35,1%	75,5%	60,6%

Ratios	2024A	2025A	2026E	2027E
NPL ratio	2,9%	3,7%	3,7%	3,5%
CoR (net) Exc. Currency	1,4%	2,3%	2,4%	1,1%
NIM (Swap adj.)	2,2%	2,5%	4,2%	4,9%
ROAA	2,0%	2,0%	2,6%	3,2%
ROAE	19,0%	21,5%	30,0%	32,2%

Multiples	2024A	2025A	2026E	2027E
P/E	2,9	8,0	5,8	3,3
P/BV	0,90	1,40	1,07	0,87



Return	1M	3M	6M	12M
TRY Return (%)	-17,8	-28,0	4,0	27,1
US\$ Return (%)	-19,3	-30,9	-3,4	8,2
BIST-100 Relative (%)	-13,4	-26,8	-16,9	-13,0

Source: Bank financials, Şeker Invest Research

# Aselsan (OP, 12M TP: TRY495.00) Net Profit above expectations

Upside: 30%

Aselsan reported a net income of TRY 5,539 million in 1Q26 (including TMS-29 effects), marking a strong year-on-year increase of 86.1% (1Q25: TRY 2,977 million). Net income came in above both the market median expectation of TRY 4,667 million and our estimate of TRY 4,375 million. The company strengthened its operational performance in 1Q26, supported by robust revenue growth and improved EBITDA profitability. Notably, deferred tax income was the primary driver behind the increase in net profit. In addition, the decline in financial expenses and monetary position losses also contributed positively to profitability. Aselsan's net sales revenues increased by 15% year-on-year to TRY 34,306 million in 1Q26. The reported figure was in line with our estimate of TRY 33,950 million and the market median expectation of TRY 34,150 million. Revenue generation in the first quarter was mainly driven by Steel Dome (ÇELİKKUBBE), Radar, Electronic Warfare, Military Communications, AI-Supported Urban Security, Electro-Optics, and Guided Munitions Systems.

**EBITDA (including TMS-29 effects) rose by 28.3% year-on-year to TRY 8,633 million (1Q25: TRY 6,730 million), slightly exceeding both our estimate and the market consensus of TRY 8,487 million.** The company improved its EBITDA margin to 25.16% in 1Q26 (1Q25: 22.56%), while reducing general administrative expenses by 3% through efficiency measures. Meanwhile, the book-to-bill ratio, an important growth indicator, stood at 1.6 in 1Q26 (1Q25: 2.3).

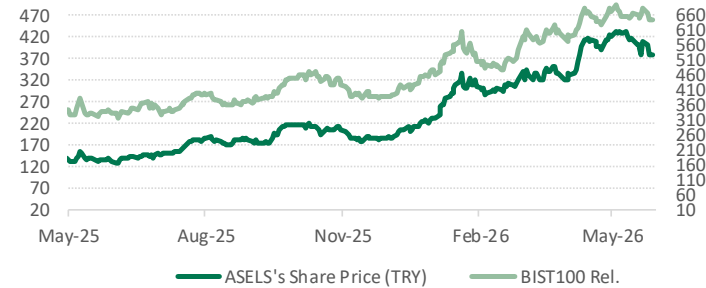
**The company reached historical highs in new export contracts and backlog.** Global demand for Aselsan's products and systems continued to expand. New export contracts signed in 1Q26 increased by 69% year-on-year to USD 629 million (1Q25: USD 372 million). The backlog also rose by 39% year-on-year to USD 20.7 billion (1Q25: USD 15 billion). As of 2025, 97% of total backlog consists of defense-related orders, while 3% comes from non-defense segments. In terms of currency composition, long-term orders consist of 51% USD, 43% EUR, and 6% TRY.

**Despite a quarterly increase, net debt improved on an annual basis.** Net debt, which stood at TRY 15,373 million as of 2025 year-end, increased by 44% to TRY 22,084 million by the end of 1Q26. However, on a year-on-year basis, net debt declined by 16%. Accordingly, the Net Debt/EBITDA ratio improved to 0.41x in 1Q26 from 0.60x in 1Q25.

**2026 guidance maintained:** The company expects net sales revenue growth of above 10% in TRY terms (including TMS-29 effects) in 2026. It also targets an EBITDA margin above 24% for the year. Additionally, Aselsan plans to execute capital expenditures of TRY 50 billion or more (including TMS-29 effects) in 2026.

**We maintain our 12-month target price of TRY 495.00/share and 'Outperform' recommendation for ASELSAN.** Our target price implies a 30% upside potential relative to the closing price of the stock as of May 26, 2026.

Code	ASELS.TI	Close	380,25	
MCAp (TRY m)	1.733.940	Last 12M High	450,00	
MCAp (US\$ m)	37.999	Last 12M Low	126,74	
EV (TRY m)	1.756.024	Beta	0,91	
EV (US\$ m)	38.496	Avg. daily trading vol. (US\$ m)	187,9	
Free float (%)	26,00	Foreign ownership in FF (%)	58,1%	
<b>Key figures</b>	<b>*2023A</b>	<b>*2024A</b>	<b>*2025A</b>	<b>2026E</b>
Revenues	153.042	173.140	198.566	252.500
Growth		13,1%	14,7%	27,2%
EBITDA	33.330	43.548	52.082	64.700
EBITDA margin	21,8%	25,2%	26,2%	25,6%
Net profit	15.161	22.036	32.957	35.850
EPS	3,32	4,83	7,23	7,86
Dividend yield	0,18%	0,14%	0,05%	0,10%
Net debt / EBITDA	0,8	0,5	0,3	0,2
Net debt / Equity	0,15	0,11	0,06	0,05
ROAE		11,5%	13,8%	13,8%
ROAA		6,6%	8,0%	7,9%
<b>Valuation metrics</b>	<b>*2023A</b>	<b>*2024A</b>	<b>*2025A</b>	<b>2026E</b>
P/E	28,1	21,6	35,3	48,4
EV/EBITDA	13,6	11,5	22,6	27,1
EV/Sales	1,5	2,0	5,4	7,0
P/BV	2,3	2,4	4,2	6,2
<b>Return</b>	<b>1M</b>	<b>3M</b>	<b>YtD</b>	<b>YoY</b>
TRY Return (%)	-3,0	22,3	64,1	179,3
US\$ Return (%)	-4,6	17,5	54,4	138,0
BIST-100 Relative (%)	2,3	24,2	35,3	91,1



Source: PDP, Finnet, Seker Invest Research estimates

\*2023, 2024 and 2025 financials are Indexed according to 2026/03 with IAS -29

# Cimsa (OP, 12M TP: TRY70.55)

Upside: 39%

## Resilient Operating Performance amid Strong International Operations...

Çimsa reported a net profit of TRY 641mn in 1Q26, exceeding both our estimate of TRY 527mn and the market consensus. Net profit increased by 80.4% YoY, while the net profit margin improved by 2.5pp to 5.5%. The rise in net profit was mainly driven by higher monetary gains and a decline in financial expenses.

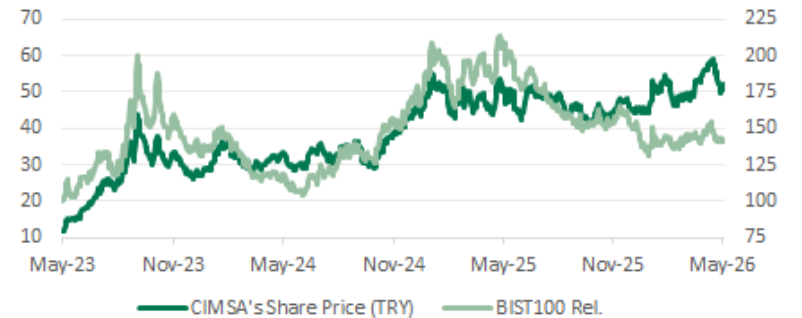
On the operational side, weak domestic demand conditions were evident, with domestic sales volume declining by 6.8% YoY. In contrast, international operations grew by 10.9%, and supported by the commissioning of the grey cement grinding facility in the US, consolidated sales volume increased by 2.0%. Net sales revenues remained flat at TRY 11,632mn, while gross profit declined to TRY 1,670mn, with the gross margin contracting by 1.1pp to 14.4%.

EBITDA increased by 2.7% YoY to TRY 1,470mn, supported by operational efficiency improvements, higher alternative fuel usage, and renewable energy investments. The EBITDA margin improved by 0.4pp to 12.6%. The Company's alternative fuel usage rates reached 25% in Türkiye, 31% in Buñol, and 77% in Mannok, supporting the cost structure. As of 1Q26, the Company's consolidated net debt rose to TRY 23,376mn, with a Net Debt/EBITDA ratio of 2.82x. The working capital to sales ratio remained stable at 15%, while the capex-to-sales ratio fell to 4.6%, indicating normalization in the investment cycle.

In the first quarter, despite weak domestic demand, the Company maintained its operational profitability, supported by international operations and efficiency-driven strategies. The slight weakening in gross profitability and the contraction in domestic demand stand out as key factors to monitor in the short term.

We expect Çimsa to generate TRY 59,817mn in revenue, TRY 10,946mn in EBITDA, and TRY 4,658mn in net profit in 2026. **We maintain our 12-month target price of TRY 70.55/share and 'Outperform' recommendation for Çimsa (CIMS.TI).** Our target price implies a 39% upside potential relative to the closing price of the stock as of May 26, 2026.

Code	CIMS.TI	Close	50,65	
MCAp (TRY m)	47.894	Last 12M High	60,00	
MCAp (US\$ m)	1.050	Last 12M Low	40,55	
EV (TRY m)	71.270	Beta	1,09	
EV (US\$ m)	1.576	Avg. daily trading vol. (US\$ m)	11,9	
Free float (%)	45,00	Foreign ownership in FF (%)	10,2%	
Key figures				
	2023A*	2024A*	2025A*	2026E
Revenues	42.641	40.547	50.517	59.817
<i>Growth</i>		-4,9%	24,6%	18,4%
EBITDA	7.611	7.326	9.065	10.946
<i>EBITDA margin</i>	17,8%	18,1%	17,9%	18,3%
Net profit	5.180	3.871	3.414	4.658
EPS	38,35	4,09	3,61	4,93
Dividend yield	3,2%	1,2%	1,4%	1,9%
Net debt /EBITDA	0,64	2,71	2,36	2,29
Net debt /Equity	0,13	0,56	0,59	0,72
ROAE		10,4%	9,5%	13,0%
ROAA		4,4%	3,4%	4,6%
Valuation metrics				
	2023A*	2024A*	2025A*	2026E
P/E	11,1	16,4	12,9	10,3
EV/EBITDA	8,2	11,4	7,9	6,5
EV/Sales	0,7	1,5	1,3	1,2
P/BV	1,5	1,8	1,2	1,4
Return				
	1M	3M	Ytd	YoY
TRY Return (%):	-9,6	-3,6	10,6	-0,8
US\$ Return (%):	-11,1	-7,3	4,1	-15,5
BIST-100 Relative (%):	-4,7	-2,1	-8,8	-32,2



Source: PDP, Finnet, Şeker Invest Research estimates  
\*2023, 2024 and 2025 financials are Indexed according to 2026/03 with IAS-29.

# Ford Otosan (OP, 12M TP: TRY149.30)

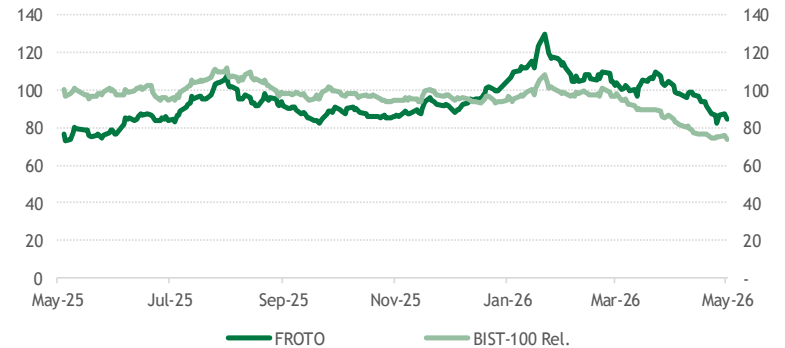
Upside: 77%

We maintain our TP of **TRY 149.30/shr** for the Company and our **“OUTPERFORM”** recommendation. Based on the May 26, 2026 closing price, Ford Otosan is currently trading at 2026E EV/EBITDA of 5.7x and 2026E P/E of 6.5x.

While the discontinuation of the Ford Focus model is expected to weigh on the PC segment from 2026 onwards, we believe this impact can be gradually offset through a stronger product mix. Ramp-up processes for new models have largely stabilized, although certain variants are expected to continue ramping into 2026. Although economic uncertainty in the EU market and insufficient charging infrastructure & incentive mechanisms keep the demand outlook unclear, a potential recovery in demand amid easing macro conditions represents an upside risk for the Company. In this context, we expect export volumes to remain broadly flat in 2026, largely driven by demand conditions in the EU market. Assuming a gradual improvement in CUR, we forecast the 2026 operational outlook to track broadly in line with 2025. Over the medium to long term, we remain constructive on Ford Otosan given progress in electrification and the contribution of new product launches. Despite near-term weakness in PC and lingering uncertainty in the European market, we maintain a defensively positive view on Ford Otosan supported by its strong LCV market positioning, export-oriented business model, solid product mix, and cost-plus export contracts.

**2026 expectations:** Ford Otosan expects the domestic retail market to reach 1.3-1.4mn units in 2026, while forecasting domestic retail sales of 90-100k units. The Company guides for export volumes of 580-630k units (Romania: 190-210k; Türkiye: 390-420k). Total sales volume is projected at 670-730k units, while total production is expected to reach 690-740k units (Romania: 230- 250k; Türkiye: 460-490k). Planned CapEx for 2026 is EUR 300-400mn (General investments: EUR 80-100mn; Product Related Investments: EUR 220-300mn). Ford Otosan also expects flat revenue growth and an adjusted EBITDA margin of 7%- 8% in 2026.

Code	FROTO TI/FROTO IS	Close			
MCap (TRY mn)	295.291	Last 12M High	84,15		
MCap (US\$ mn)	6.471	Last 12M Low	130,91		
EV (TRY mn)	401.729	Beta	71,54		
EV (US\$ mn)	8.869	Avg. Daily Trading Vol. (US\$ m)	0,97		
Free Float (%)	20,31	Foreign Ownership in FF (%)	38,1		
			28,59		
Key Figures (TRY mn)		* 2023	* 2024	2025	2026E
Revenues	856.578	856.994	914.245	1.092.989	
Growth (%)		0,0%	6,7%	19,6%	
EBITDA	88.818	57.423	57.336	70.446	
EBITDA Margin (%)		6,7%	6,3%	6,4%	
Net profit	102.014	55.977	37.398	45.375	
EPS (TRY)	29,07	15,95	10,66	12,93	
Dividend Yield (%)	6,8%	10,1%	5,1%	3,5%	
Net Debt/EBITDA (x)	1,42	2,53	1,90	1,79	
Net Debt/Equity (x)	2,97	2,84	3,18	2,19	
ROAE (%)	79,0%	35,2%	22,2%	23,2%	
ROAA (%)	25,1%	12,1%	7,4%	8,9%	
Valuation Metrics		* 2023	* 2024	2025	2026E
P/E	2,5	5,9	7,9	6,5	
EV/EBITDA	3,9	8,0	7,0	5,7	
EV/Sales	0,4	0,5	0,4	0,4	
P/BV	1,9	1,8	1,7	1,3	
Return		1M	3M	YtD	YoY
TRY Return (%)	-19,5	-26,6	-6,1	5,2	
US\$ Return (%)	-20,8	-29,5	-11,6	-10,4	
BIST-100 Relative (%)	-15,1	-25,5	-22,6	-28,1	



Source: PDP, Ford Otosan, Finnet, Şeker Invest Research Estimates

\* 2023 & 2024 & 2025 financials are Indexed according to 2026/03 with IAS-29.

# Migros (OP, 12M TP: TRY910.00)

Upside: 38%

We maintain our positive outlook on net cash position & market share development...

We maintain our target price for Migros of **TRY 885.00/shr**, and our **“OUTPERFORM”** recommendation. As of the closing price on May 26, 2026, the stock is trading at 2026E EV/EBITDA of 3.4x and 2026E P/E of 11.9x, implying 38% upside potential.

Despite high inflation and an increasingly competitive landscape, we view positively Migros’ ability to expand its FMCG market share through a multi-channel growth strategy. We expect the increase in store count and associated sales area, along with the positive contribution from online channels, to continue supporting net sales in 2026.

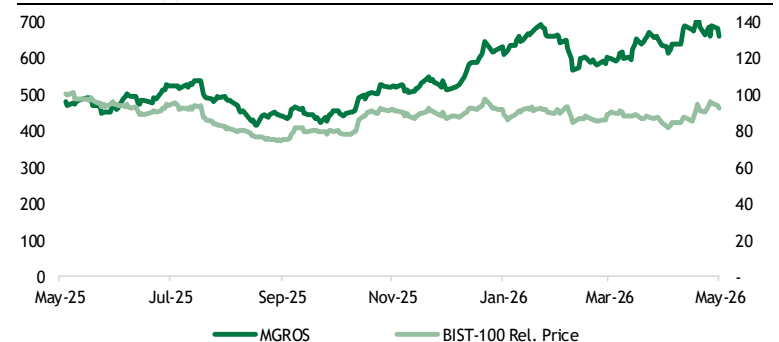
Strong FCF generation, real sales growth, and total financial debt levels that remain significantly lower compared to previous years underpin our constructive view on the Company. In addition, efficiency-enhancing initiatives have driven improvements in gross profitability despite price discounts, which we believe can support a more favorable medium-to-long-term margin outlook. Furthermore, stronger LfL sales and basket growth relative to peers differentiate Migros, while low but positive customer traffic should continue to support basket size expansion.

Migros targets real CAGR in sales revenue of 5-7% for 2026 and high-single-digit levels for the 2027-2030 period. The Company guides for 180-200 store openings in 2026, while planning annual selling space growth of 2.5-3.5% in each year between 2027-2030. For 2026, EBITDA and adjusted EBITDA margins are expected to come in at 6-7% and 4-5%, respectively, while management targets at least a 100bps margin improvement by 2030 compared to 2025. Meanwhile, the share of online sales in total sales is projected to rise from 21% in 2025 to 27.5% by 2030, while RoIC is also expected to trend higher, supported by improving profitability and the contribution of increasingly asset-light initiatives.

Code	MGROS TI/MGROS IS	Close	659,00
MCap (TRY mn)	119.315	Last 12M High	727,00
MCap (US\$ mn)	2.615	Last 12M Low	409,72
EV (TRY mn)	126.918	Beta	0,94
EV (US\$ mn)	2.786	Avg. Daily Trading Vol. (US\$ m)	33,6
Free Float (%)	50,82	Foreign Ownership in FF (%)	39,17

Key Figures (TRY mn)	* 2023	* 2024	2025	2026E
Revenues	343.111	384.534	412.756	539.191
Growth (%)		12,1%	7,3%	30,6%
EBITDA	5.939	20.676	27.320	36.940
EBITDA Margin (%)		5,4%	6,6%	6,9%
Net Profit	16.830	8.298	6.467	10.065
EPS (TRY)	92,95	45,83	35,72	55,59
Dividend Yield (%)	1,0%	1,5%	1,2%	2,5%
Net Debt/EBITDA (x)		-0,09	0,14	0,05
Net Debt/Equity (x)		-0,03	0,05	0,02
ROAE (%)	28,1%	11,6%	8,3%	12,0%
ROAA (%)	10,3%	4,5%	3,2%	4,4%

Valuation Metrics	* 2023	* 2024	2025	2026E
P/E	7,1	14,4	18,4	11,9
EV/EBITDA	21,4	6,1	4,6	3,4
EV/Sales	0,4	0,3	0,3	0,2
P/BV	1,8	1,6	1,5	1,4
Return	1M	3M	YtD	YoY
TRY Return (%)	3,9	-0,2	27,1	35,1
US\$ Return (%)	2,2	-4,0	19,6	15,1
BIST-100 Relative (%)	9,6	1,4	4,8	-7,6



Source: PDP, Migros, Finnet, Şeker Invest Research Estimates

\* 2023 & 2024 & 2025 financials are Indexed according to 2026/03 with IAS-29.

# Sabancı Holding (OP, 12M TP: TRY173.19 )

Upside: 88%

## Strategic Transformation in the Holding Portfolio: A New Phase Driven by Divestments...

On April 17, 2026, Sabancı Holding announced reaching an agreement with Yeni Mağazacılık A.Ş. for the sale and transfer of all its shares in Carrefoursa, representing 57.12% of the company's capital (with a nominal value of TRY 72,988,465.33), based on a total company valuation of USD 325mn. Within this scope, the consideration attributable to the Holding amounts to USD 185.64mn.

In its material disclosure dated January 28, 2026, the Company announced that it had received a binding offer for the sale of its shares in Akçansa, representing 39.72% of the capital, based on a company valuation of USD 1.1bn, subject to net debt and cash adjustments. Under the existing shareholders' agreement, the other controlling shareholder, Heidelberg Materials AG, exercised its right of first refusal and notified the Company on April 17, 2026 that it would acquire the shares based on the submitted offer. The consideration attributable to the Holding from this transaction amounts to USD 436.92mn.

The total gross cash inflow to the Holding from these two transactions is expected to reach USD 622.56mn. (Final consideration amounts for both the Akçansa and Carrefoursa transactions will be determined based on net debt and related financial adjustments at closing.)

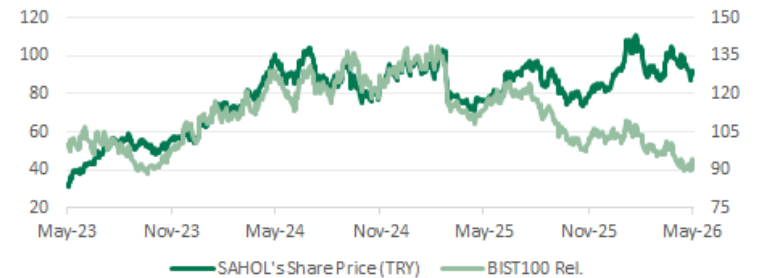
In an interview with Bloomberg HT on April 21, 2026, Holding CEO Kıvanç Zaimler stated that the primary objective of the ongoing strategic transformation is to increase Net Asset Value (NAV) and improve return on equity (ROE) by 120-150 basis points. Emphasizing a disciplined capital allocation strategy toward high-return areas, Zaimler noted that potential new investments will focus on business lines that enhance portfolio resilience, increase the share of foreign currency revenues, and are Türkiye-based but export-oriented and globally integrated.

As of the current outlook, approximately 85% of the Holding's Net Asset Value is derived from Türkiye. In terms of revenue composition, around 80% of total revenues are generated in Turkish Lira. Within the scope of the ongoing strategic transformation, the Holding aims to strengthen the share of foreign currency-denominated revenues and enhance the portfolio's resilience against macroeconomic volatility.

In the first half of 2026, we expect the banking and financial services segment—accounting for a significant share of Sabancı Holding's revenues—to be mildly negatively impacted by the delay in the expected rate-cutting cycle in Türkiye, due to rising geopolitical risks stemming from the Middle East. On the other hand, we believe that completed divestments and potential new investments point to 2026 being a pivotal year of strategic transformation for the Holding's portfolio.

**We maintain our 12-month target price of TRY 173.19/share and 'Outperform' recommendation for Sabancı Holding (SAHOL.TI). Our target price implies a 88% upside potential relative to the closing price of the stock as of May 26, 2026.**

Code	SAHOL.TI	Close	92,00		
MCAp (TRY m)	193.235	Last 12M High	113,18		
MCAp (US\$ m)	4.235	Last 12M Low	72,73		
EV (TRY m)	459.259	Beta	1,24		
EV (US\$ m)	10.369	Avg. daily trading vol. (US\$ m)	71,8		
Free float (%)	51,00	Foreign ownership in FF (%)	29,6%		
Key figures (TRY m)		2023*	2024*	2025*	
Revenues		284.923	281.005	270.963	
Finance Sector Revenues		818.852	1.025.386	1.019.414	
Total Revenues		1.103.775	1.306.391	1.290.377	
Growth			18,4%	-1,2%	
Consolidated net profit		32.082	-22.289	4.174	
EPS		15,27	-10,61	1,99	
Dividend yield		4,5%	2,7%	1,6%	
Net debt /Equity		0,10	0,33	0,67	
ROAE		7,0%	-5,1%	1,0%	
ROAA		0,7%	-0,5%	0,1%	
Valuation metrics		2023*	2024*	2025*	
P/E		8,0	0,0	46,6	
EV/Sales		0,2	0,3	0,4	
P/BV		0,6	0,7	0,5	
Return		1M	3M	YTD	YoY
TRY Return (%)		-6,9	-11,0	11,0	20,2
US\$ Return (%)		-8,4	-14,4	4,4	2,5
BIST-100 Relative (%)		-1,8	-9,6	-8,5	-17,8



Source: PDP, Finnet, Seker Invest Research estimates

\*2023, 2024 and 2025 financials are indexed according to 2026/03 with IAS -29.

# Turkcell (OP, 12M TP: TRY150.00 )

Upside: 48%

Turkcell reported TRY 4,634mn net income in 1Q26, marking a 14.9% YoY increase (1Q25: TRY 4,033mn). The reported net income came in in line with our estimate of TRY 4,554mn and above the market median expectation of TRY 4,252mn. Despite the higher tax burden and the decline in other operating income during the quarter, net profit was supported by higher monetary gains recorded following the capitalization of the 5G license, as well as the improving contribution from TOGG.

Turkcell generated TRY 68,377mn net sales revenues in 1Q26, representing an 8.9% YoY increase. Reported net sales revenues came in slightly above both our estimate of TRY 66,900mn and the market median expectation of TRY 67,273mn. Total revenues recorded steady growth, mainly driven by strong corporate segment performance. Rising hardware revenues together with continued growth in the data center and cloud business segments were the main contributors to revenue growth. Meanwhile, Paycell continued to support Group revenues. Supported by its ongoing postpaid and fiber-focused strategy, the Company maintained strong subscriber performance and increased the share of postpaid subscribers to 81% with 661 thousand net postpaid mobile subscriber additions. Including wholesale operations, Turkcell achieved 36 thousand net fiber subscriber additions, while Superbox subscriber gains accelerated with 38 thousand net additions. In addition, 138 thousand new fiber home passings were added during 1Q26, bringing the total number of fiber home passings to 6.5 million, while fiber ARPU growth reached 9.7% YoY. Corporate revenues posted a strong 34% YoY growth, largely supported by a 64% increase in Digital Business Services revenues. This performance was mainly driven by higher hardware revenues associated with the successful deployment of large-scale projects, while Data Center and Cloud revenues also increased by 21% YoY. On the consumer segment side, growth remained relatively limited at 2.6%. While the expansion in the postpaid subscriber base and strong fixed ARPU performance supported growth, mobile ARPU (excluding M2M) remained broadly flat during the quarter due to the highly competitive pricing environment observed last year and the ongoing high inflation backdrop. Looking at the Company's total subscriber base, it increased by 642 thousand in the first quarter of 2026 to reach 44.5 million, supported by segment-based offerings tailored to customers. The 661 thousand net additions in the postpaid segment marked the strongest total net mobile subscriber gain of the last 14 quarters, while the share of postpaid subscribers in the total mobile subscriber base increased to 81%, exceeding 32 million subscribers.

EBITDA including TMS-29 impact increased by 3.2% YoY to TRY 28,300mn in 1Q26. The reported EBITDA came in slightly above both our estimate of TRY 27,350mn and the market median expectation of TRY 27,582mn. EBITDA margin stood at 41.4% in 1Q26 (1Q25: 43.7%).

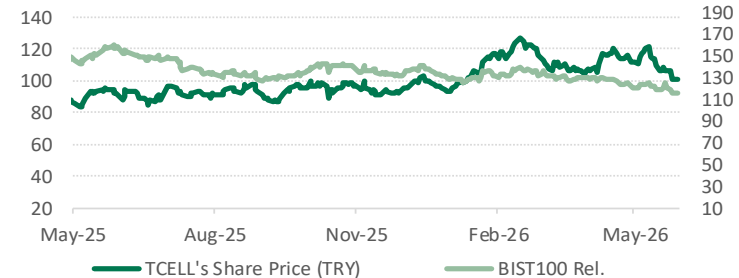
The Company's net debt position increased. Net debt, which stood at TRY 16,383mn at FY25-end, increased to TRY 48,827mn as of 1Q26, while the Net Debt/EBITDA ratio was realized at 0.42x.

2026 guidance maintained. Turkcell continues to expect revenue growth of 5-7% and an EBITDA margin of 40-42% for 2026, while targeting an operational expenditure-to-revenue ratio of 25%. In addition, the Company expects revenue growth of 18-20% in its Data Center and Cloud business segment. In line with our forecasts, we keep our 12-month target price for Turkcell (TCELL) unchanged at TRY 150.00 per share. Based on the May, 26 2026 closing price, our target price implies a 48% upside potential, and we maintain our OUTPERFORM recommendation.

Code	TCELL.TI	Close		101,00
MCAP (TRY m)	222.200	Last 12M High		129,60
MCAP (US\$ m)	4.869	Last 12M Low		85,18
EV (TRY m)	308.737	Beta		0,98
EV (US\$ m)	6.819	Avg. daily trading vol. (US\$ m)		61,5
Free float (%)	44,00	Foreign ownership in FF (%)		74,1%

Key figures	*2023A	*2024A	*2025A	2026E
Revenues	214.120	228.808	252.012	320.250
Growth		6,9%	10,1%	27,1%
EBITDA	97.852	101.814	115.398	130.380
EBITDA margin	45,7%	44,5%	45,8%	40,7%
Net profit	26.107	33.882	19.372	24.300
EPS	11,87	15,40	8,81	11,05
Dividend yield	1,65%	2,77%	3,06%	3,37%
Net debt /EBITDA	0,54	0,40	0,25	0,20
Net debt /Equity	0,21	0,15	0,10	0,07
ROAE		12,9%	7,0%	7,0%
ROAA		6,7%	3,7%	3,8%

Valuation metrics	*2023A	*2024A	*2025A	2026E
P/E	9,8	8,7	11,6	9,1
EV/EBITDA	3,2	3,3	2,5	2,4
EV/Sales	0,7	1,1	1,0	1,0
P/BV	1,0	1,1	0,8	0,6
Return	1M	3M	Ytd	YoY
TRY Return (%)	-11,6	-16,4	8,5	6,7
US\$ Return (%)	-13,1	-19,6	2,1	-9,1
BIST-100 Relative (%)	-6,8	-15,1	-10,6	-27,1



Source: PDP, Finnet, Şeker Invest Research estimates

\*2023, 2024 and 2025 financials are Indexed according to 2026/03 with IAS -29

# Tupras (OP, 12M TP: TRY 355.76)

Upside: 51%

## Operational outlook remains supportive despite normalization from peak margin levels...

On the global front, geopolitical developments and supply-side risks continue to keep volatility in oil prices elevated, while Brent crude prices partially declined in May compared to the previous month. According to Tupras's June investor presentation, Brent crude declined from USD 120.5/bbl in April to USD 107.6/bbl in May. Nevertheless, Brent prices remaining above their 5-year averages continue to provide a supportive backdrop for refined product prices and margin outlook.

According to the company's June investor presentation, the normalization trend in middle distillate margins continued compared to the previous month. Diesel margins declined from USD 54.4/bbl in April to USD 47.6/bbl in May, while jet fuel margins fell from USD 65.5/bbl to USD 48.6/bbl. Despite this, these margins remaining significantly above historical averages continue to support Tupras's net refining margin (NRM) outlook, given the company's product slate. Meanwhile, gasoline margins showed a strong recovery compared to the previous month, rising to USD 31.3/bbl in May.

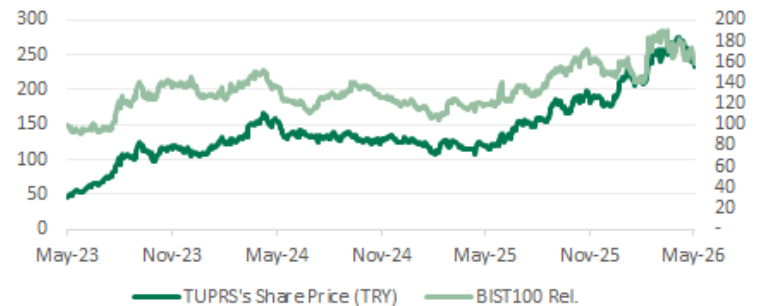
On the other hand, the significant widening in the heavy-light crude spread stands out as a supportive factor for margins, given Tupras's complex refinery structure. This development has the potential to provide an additional contribution to NRM through the company's ability to process lower-cost heavy crude. In this context, despite the normalization in middle distillate margins, we believe the product margin composition and developments in crude spreads continue to preserve a favorable outlook for refining profitability.

On the balance sheet side, strong cash generation and the net cash position continue to support the company's financial flexibility. The announced total dividend plan of TRY 33bn implies a dividend yield of approximately 8.6% based on the current market capitalization. The first tranche of TRY 20bn was paid on March 16, 2026, while the remaining TRY 13bn is planned to be distributed on September 30, 2026.

For 2026, we expect a more balanced yet sustainable margin environment. Company guidance points to an NRM of USD 6-7/bbl, a capacity utilization rate of 95-100%, and total sales volume of around 30 million tons. Although middle distillate margins have declined from peak levels, their continued positioning above historical averages, together with the widening in the heavy-light crude spread, indicates that upside potential for the NRM outlook remains intact. In this context, we believe the company's product margin and inventory hedge policies continue to support profitability against increased commodity price volatility.

**In line with our expectations, we maintain our 12-month target price for Tupras at TRY 355.76 and reiterate our OUTPERFORM recommendation. Our target price implies approximately 51% upside potential from current levels. We continue to include the stock in our model portfolio, supported by its strong cash generation, high dividend-paying capacity, and its defensive characteristics against geopolitical developments.**

Code	TUPRS.TI	Close	236,20	
MCAp (TRY m)	455.109	Last 12M High	279,50	
MCAp (US\$ m)	9.974	Last 12M Low	113,62	
EV (TRY m)	380.403	Beta	0,69	
EV (US\$ m)	8.291	Avg. daily trading vol. (US\$ m)	118,4	
Free float (%)	49,00	Foreign ownership in FF (%)	34,6%	
Key figures	2023A*	2024A*	2025A*	2026E
Revenues	1.427.697	1.167.251	913.742	1.100.525
Growth		-18,2%	-21,7%	20,4%
EBITDA	200.140	73.032	68.306	130.097
EBITDA margin	14,0%	6,3%	7,5%	11,8%
Net profit	111.419	26.381	32.488	95.401
EPS	404,78	13,69	16,86	49,51
Dividend yield	14,9%	9,1%	8,6%	16,8%
Net debt / EBITDA	-0,65	-1,08	-0,92	-0,22
Net debt / Equity	-0,31	-0,19	-0,16	-0,06
ROAE		6,4%	8,1%	21,5%
ROAA		3,7%	5,0%	13,6%
Valuation metrics	2023A*	2024A*	2025A*	2026E
P/E	5,1	14,9	10,9	4,8
EV/EBITDA	2,2	4,3	5,6	2,9
EV/Sales	0,1	0,2	0,3	0,3
P/BV	1,4	1,0	0,9	0,9
Return	1M	3M	YTD	YoY
TRY Return (%)	-12,2	13,9	33,3	98,5
US\$ Return (%)	-13,6	9,5	25,5	69,2
BIST-100 Relative (%)	-7,4	15,7	9,9	35,8



Source: PDP, Finnet, Şeker Invest Research estimates  
 \*2023, 2024 and 2025 financials are indexed according to 2026/03 with IAS-29.

# Yapi Kredi Bank (OP, 12M TP: TRY58.30) Stronger-Than-Expected Profitability

Upside: 76%

Yapı Kredi Bank has reported a net income of TRY 20.3bn in its 1Q26 solo financial results, exceeding both our estimate and the market consensus. The reported net income implies a 119% QoQ and 78% YoY increase.

The strong increase in net interest income and the rise in trading income were the main drivers of the Bank's earnings growth, while the limited increase in expected credit loss provisions and the decline in operating expenses provided additional support to profitability.

Net interest income increased by 13% QoQ, while swap costs rose by 7.6% over the same period. Accordingly, swap-adjusted net interest income grew by 20.5% QoQ to TRY 23.1bn. The swap-adjusted net interest margin improved by 40bps QoQ to 3.21%, despite the decline in CPI-linked securities income.

Net fee and commission income declined slightly by 0.9% QoQ to TRY 30.3bn in 1Q26, while recording a 33.1% YoY increase.

On the cost side, operating expenses declined by 5% QoQ, while increasing by 35% YoY. Accordingly, the Bank's fee income to operating expenses ratio improved to 89.5%.

On the asset quality side, Yapı Kredi's NPL ratio increased by 25bps to 4.06%, while expected credit loss provisions rose by a limited 4.6% QoQ to TRY 9.47bn. Accordingly, the Bank's FX-adjusted net cost of risk declined by 13bps to 204bps.

Yapı Kredi maintained its 2026 guidance. The Bank expects TL loan growth of 30%+, while FX loan growth is projected to be in the low single digits. On the margin side, an improvement of over 100bps is expected in 2026.

In addition, the Bank expects fee income to grow in line with inflation, while targeting operating expense growth of 35% or below. Lastly, the cost of risk is expected to be in the range of 150-175bps.

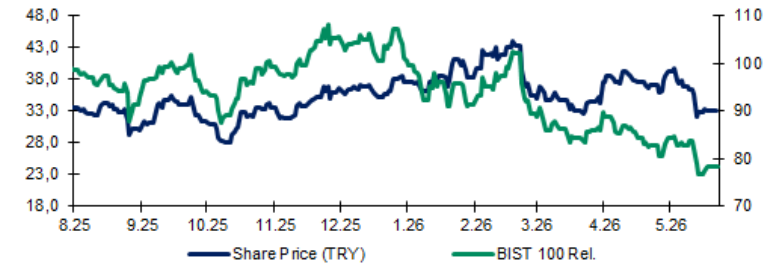
We maintain our 12-month target price of TRY 58.30, which implies a 76% upside from current levels, and reiterate our "Outperform" recommendation. Yapı Kredi Bank is trading at 3.9x 2026E P/E and 0.95x P/B, with an average ROE of 27.6%.

Mcap (TRYmn)	280.104	Beta (12M)	1,43
Mcap (USDmn)	6.138	Avr. Daily Vol. (TRYr)	6.579
Close	33,16	Foreign Ownership i	32,1%
Last 12M High	44,50	Free Float (%)	39,0%
Last 12M Low	25,32	Weight	2,60%

Quick Facts (TRY Mn)	2024A	2025A	2026E	2027E
Net interest income	13.860	55.536	120.096	208.838
% Change, YoY	-79,3%	300,7%	116,2%	73,9%
Net fee income	73.097	110.297	143.239	178.199
% Change, YoY	112,0%	50,9%	29,9%	24,4%
Net income	29.017	47.090	80.295	148.345
% Change, YoY	-57,3%	62,3%	70,5%	84,8%

Ratios	2024A	2025A	2026E	2027E
NPL ratio	3,1%	3,8%	3,9%	3,6%
CoR (net) Exc. Currency	0,8%	2,2%	2,7%	1,5%
NIM (Swap adj.)	0,7%	2,3%	3,6%	4,7%
ROAA	1,4%	1,7%	2,1%	3,0%
ROAE	15,7%	21,1%	27,6%	33,7%

Multiples	2024A	2025A	2026E	2027E
P/E	2,4	8,9	6,5	3,5
P/BV	0,92	1,34	1,20	0,85



Return	1M	3M	6M	12M
TRY Return (%):	-11,9	-24,7	-4,4	27,8
US\$ Return (%):	-13,5	-27,7	-11,3	8,7
BIST-100 Relative (%):	-7,1	-23,5	-23,7	-12,6

Source: Bank financials, Seker Invest Research

# Recommendation List

Şeker Invest									
Recommendation List									
June 1, 2026									
	Close (TRY)	Rating	TP (TRY)	Mcap TRY mn	Target Mcap TRY mn	Upside Potential	P/E	P/BV	
<b>BANKING</b>									
AKBNK	64,00	OP	108,10	332.800	562.120	68,9%	5,31	1,10	
GARAN	122,90	OP	200,02	516.180	840.084	62,8%	4,35	1,14	
HALKB	42,10	MP	48,80	302.479	350.617	15,9%	10,01	1,34	
ISCTR	13,14	OP	23,16	328.500	578.999	76,3%	4,36	0,78	
TSKB	11,08	OP	20,06	31.024	56.168	81,0%	2,78	0,67	
VAKBN	30,84	OP	52,79	305.807	523.461	71,2%	4,70	0,92	
YKBNK	33,16	OP	58,30	280.104	492.463	75,8%	5,00	1,03	
<b>HOLDING</b>									
AGHOL	33,60	OP	46,74	81.828	113.823	39,1%	22,78	0,65	
KCHOL	189,10	OP	318,51	479.538	807.702	68,4%	19,67	0,67	
SAHOL	92,00	OP	173,19	193.235	363.759	88,2%	24,28	0,51	
TAVHL	251,75	OP	440,00	91.456	159.845	74,8%	58,47	1,19	
<b>INDUSTRIAL</b>									
AKCNS	225,62	OP	252,50	43.554	48.340	11,9%	68,76	1,60	
AKSEN	80,00	OP	110,00	98.107	134.894	37,5%	26,55	1,53	
ARCLK	103,70	OP	149,50	70.073	101.021	44,2%	-	0,96	
ASELS	380,25	OP	495,00	1.733.940	2.257.200	30,2%	53,33	6,17	
BIMAS	373,00	OP	482,50	447.600	579.002	29,4%	20,77	2,37	
CCOLA	80,05	OP	103,40	223.986	289.322	29,2%	12,70	2,68	
CIMSA	50,65	OP	70,55	47.894	66.712	39,3%	14,14	1,38	
DOAS	184,80	OP	302,90	40.656	66.639	63,9%	13,73	0,60	
EREGL	39,18	OP	42,24	274.260	295.710	7,8%	584,44	0,93	
FROTO	84,15	OP	149,30	295.291	523.900	77,4%	9,53	1,80	
KRDMD	39,74	MP	45,00	31.006	35.109	13,2%	159,69	0,48	
MGROS	659,00	OP	910,00	119.315	164.759	38,1%	17,60	1,35	
OYAKC	20,82	OP	33,35	101.220	162.130	60,2%	13,39	1,46	
PETKM	22,10	MP	18,91	56.010	47.935	-14,4%	-	0,82	
PGSUS	170,10	OP	271,90	85.050	135.950	59,8%	9,86	0,73	
SELEC	103,40	OP	140,00	64.211	86.942	35,4%	55,50	1,86	
SISE	45,21	OP	65,00	140.295	199.110	43,8%	13,86	0,55	
TCELL	101,00	OP	150,00	222.200	330.000	48,5%	12,21	0,76	
THYAO	296,75	OP	445,00	409.515	614.102	50,0%	3,15	0,42	
TOASO	296,00	OP	435,00	148.000	217.500	47,0%	12,84	2,51	
TTKOM	61,25	OP	90,00	214.375	315.000	46,9%	8,02	0,88	
TUPRS	236,20	OP	355,76	455.109	685.470	50,6%	13,75	1,29	
ULKER	115,80	OP	159,80	42.762	59.010	38,0%	12,95	0,87	
VESBE	6,77	MP	11,50	10.832	18.400	69,9%	-	0,28	
ZOREN	3,09	MP	4,30	15.450	21.500	39,2%	-	0,25	

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